

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA Division Director

Lieutenant Governor

March 28, 2011

CERTIFIED RETURN RECEIPT 7009 3410 0001 4203 1539

Ron Wunderlich Western Utah Copper Company 1208 South 200 West P. O. Box 492 Milford, Utah 84751

Subject:

Notice of Cancellation/Termination of Reclamation Surety, Bond Number Western Utah Copper Company, WUCC Mine, M/001/0067, Mine Name, Mine Number, County, Utah

Dear Mr. Wunderlich:

The Division of Oil, Gas and Mining (Division) was notified that the surety bond for the WUCC mine, M/001/0067, will be cancelled effective ninety days from receipt of notification, June 22, 2011. The terms of the surety state that the bond may be cancelled by the Surety ninety days following receipt by the Division and Principal of such cancellation.

Paragraph 5 of the Reclamation Contract, says the operator shall provide a replacement surety within sixty (60) days following the Division's receipt of the cancellation/termination notice. If you fail to provide a replacement surety by May 23, 2011, the Division will be forced to do any/some of the following:

- Carry out the terms of surety bond number
- Submit a request to the Board of Oil, Gas and Mining to withdraw the permit
- Order the cessation of mining operations
- Order immediate reclamation of all lands affected

If you have questions or require assistance regarding the surety, please contact Penny Berry (801) 538-5291 or by email at bondcoordinator@utah.gov. Thank you in advance for your prompt attention to this important permitting requirement.

Minerals Program Manager

PBB:pb

Insurance Company of the West Cc:

> eginouves@blm.gov oabeyta@blm.gov

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